<u>TAX SEASON</u>

Once again, Navy Legal Service Office Pacific Branch Office Sasebo (first floor, PW47) will be assisting the VITA Program. In preparing for the next tax season, the VITA Program would like you to give serious thought to organizing your tax records prior to filing your taxes.

What records? Everyone who pays taxes is required to keep accurate, permanent books and records so they can determine the various types of income, expenses, gains, losses, and other items that affect their income tax liability for the year. You should retain basic records showing the source of all income you receive, including W-2 forms and year-end comprehensive statements from financial institutions.

If you decide to itemize deductions, primarily the case for homeowners whose property tax and mortgage interest payments exceed the standard deduction allowed, you should retain documents proving the expense itself (a receipt, bill, or invoice) and proving that you paid it (a cancelled check, credit card slip, or bank statement itemizing your checks).

If you receive or pay spousal support, you should keep a copy of the separation agreement or divorce decree.

If you are claiming the childcare credit, you must keep records of the name, address and Social Security number or employer identification number of all caregivers.

If you are claiming deductions for charitable contributions, you may need to get a receipt from the organization to which you made the donation.

Special record keeping rules apply to the following: business related records, automobile expense records, and capital asset records. All of these records must be kept as long as they may be relevant for any tax purpose, or for a minimum of four years.

What you will need to have to file? Make sure you have the following items prior to beginning to file.

- Military Identification Card;
- Social Security cards for you, your spouse and dependents;
- Birth Dates for primary, secondary and dependents on the tax return;
- Current year's tax package if you received one;
- Wage and earning statement(s) Form W-2, W-2G, 1099-R, from all employers;
- Interest and dividend statements from banks (Forms 1099);
- A copy of last year's Federal and State returns *if available;*
- Bank Routing Numbers and Account Numbers for Direct Deposit; and
- Other relevant information about income and expenses, including: 1) Total Paid for Day Care and 2) Day Care providers Identifying number

Remember, to file taxes electronically on a married filing jointly tax return, both spouses must be present to sign the required forms.

** The Tax Center will open 1 February 2007, **<u>by appointments only</u>**. Appointments can made beginning 29 January, 2007, after 1300. To set up an appointment, call 252-2117. **

If you have any questions relating to this article or would like to volunteer feel free to contact LN1 Williams at 252-3347.